Establishment of Paper Unit in Uttar Pradesh

1955. SHRI KALRAJ MISHRA: Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether it is a fact that the Hindustan Paper Corporation Ltd. (HPC) proposes to set up a paper unit in Uttar Pradesh;

(b) if so, the details thereof;

(c) whether Government would provide Budgetary support to the Unit;

(d) if so, the details thereof; and

(e) the status of the project and the timeline for the completion of project?

THE MINISTER OF STATE IN THE DEPARTMENT OF HEAVY INDUSTRIES, MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRIMATI KANTI SINGH): (a) Yes, Sir.

(b) to (d) The details of the project are as follows:—

(i) HPC, a Central Public Sector Enterprises intends to form a subsidiary to set up a new Paper Mill at Jagdishpur, Distt. Sultanpur (Uttar Pradesh) at an estimated cost of Rs. 2742 crore (constant cost basis).

(ii) The subsidiary company will have 51% equity holding by HPC and shall raise balance 49% equity from the capital market at an appropriate premium through IPO.

(iii) Government has agreed to provide a loan of Rs. 255 crore to HPC at an interest rate of 8% p.a. enabling HPC to subscribe by way of promoters' 51% contribution as equity in the new subsidiary company.

(iv) To set up a Special Purpose Vehicle (SPV) in the form of Co-operative Society under the Multi-State Co-operative Societies Act, 1984 for carrying out farm forestry activities for ensuring sustained raw material availability for the project.

(e) Status of the project as on 29.02.2008 is as follows:—

(i) Post of Managing Director for Jagdishpur Paper Mill Ltd. has been created.

(ii) Name of the new subsidiary company as accepted by Registrar of Companies, Kanpur (UP) is Jagdishpur Paper Mills Limited.

Application for registration of the company as per Companies Act has been filed. Zero date will be from the date of listing the new company, Jagdishpur Paper Mills Limited, in the National Stock Exchange. The project duration of Phase-I is 30 months from the zero date.

Revival of HEC

1956. SHRI GIREESH KUMAR SANGHI:
SHRI SANTOSH BAGRODIA:

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether the revival of Heavy Engineering Corporation (HEC) has been referred to Board for Reconstruction of Public Sector Enterprises (BRPSE);